



STATE OF MAINE  
DEPARTMENT OF EDUCATION  
23 STATE HOUSE STATION  
AUGUSTA, MAINE 04333-0023

PAUL R. LEPAGE  
GOVERNOR

JAMES E. RIER, JR.  
ACTING COMMISSIONER

**Exhibit #VI.A.**

TO: Members of the State Board of Education

FROM: James E. Rier, Jr., Acting Commissioner\*

DATE: December 4, 2013

SUBJECT: Federal Qualified Zone Academy Bond Program

**STATEMENT OF FACT**

The Department of Education coordinates the Federal Qualified Zone Academy Bond (QZAB) program. QZABs are bonds issued by state or local governments which the Federal government subsidizes by providing tax credits to bondholders. Maine has a 2011 QZAB allocation balance of \$1,443,000 available for allocation to school units. This federal allocation will expire December 31, 2013 if not used.

In the current calendar year, one school administrative unit, RSU 40/SAD 40, submitted QZAB applications to the Department requesting bonding authority. The Department has completed its review of the RSU 40/SAD 40 applications and verified that RSU 40/SAD 40 and its proposed projects meet the QZAB eligibility criteria. These criteria include having a 35% free and reduced lunch rate, receiving a private contribution worth 10% of the bond proceeds, and using bond proceeds for rehabilitation or repair of school buildings, purchasing equipment, developing course materials, and/or training teachers and other school personnel.

**CONSTRUCTION COMMITTEE RECOMMENDATION**

The Construction Committee considered this exhibit at its December 2, 2013 meeting and voted to recommend that the State Board of Education approve the QZAB applications for projects in RSU 40/SAD 40 and authorize issuance of QZABs by RSU 40/SAD 40 for up to \$1,443,000 from the 2011 federal allocation.

**COMMISSIONER RECOMMENDATION**

The Commissioner recommends that the State Board of Education approve the QZAB applications for projects in RSU 40/SAD 40 and authorize issuance of QZABs by RSU 40/SAD 40 for up to \$1,443,000 from the 2011 federal allocation.

\*Prepared by the Division of School Facilities